

# Naofragio

## International Newsletter for Subsea Treasure Salvors

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Naofragio Newsletter is a specialized business periodical dedicated to the undersea treasure recovery activity — Researching wreck locations, studying history, setting up diving operations, recovering coins and artifacts, working with investors, studying legal issues, coordinating with government agencies and building marketing skills.

### Cobs: We know less about them than we should

Cobs are the crude hammered gold and silver coins of Spain and the Americas from the 1500s into the 1700s. A coin manual of the 1800s, notes that cobs “scarcely deserved the name of coin, being lumps of bullion flattened and impressed by a hammer; the edge presenting every variety of form except that of a circle, and affording ample scope for the practice of clipping.” The date often omits the thousandth place, so that 1712 is seen as: 712.

The term cob comes from ‘*cabo de barra*’ which means cut from the bar. But cutting a coin blank from a bar like slicing a chorizo is not really a practical way to come up with a planchet — and may not have been done that way. If a round bar was used, then the cobs would be round. It is more likely the pieces were cut from a small sheet or belt of metal with a large chisel. Nor any sort of mechanical guillotine-like device that could slice planchets off of a bar. Such blanks would require additional work to smooth rough surfaces, flatten curved blanks, remove flash on some edges, and, as always, weighing.

There is documentation of rolling mills in use in the early 1500s, and mention of using small ingots at the mints. *Martinete* mechanical hammer devices capture the rotary energy of a waterwheel and convert it into up and down hammering action — an easy way to flatten a bar into a sheet.

### The edges of coins

**Coin edges** Coinage issuers have long realized that placing an intricate, difficult-to-replicate pattern around the rim of a coin helps prevent clipping and counterfeiting. There are various edges found on coins:

A *plain edge* has no marking on the edge, applied with a simple, flat collar die. In modern times, almost without exception, only base-metal coins had this edge.

A *grooved edge* is plain, but has a deep score or groove halfway across, all the way around the rim, as if two coins were glued together. The 2 euro cent is an example of this feature.

A *reeded edge* has fine serrations like a file, all the way around the rim. Normally the reeding is vertical, but there has been slanted reeding. Most modern silver and gold coins have this kind of edge, known as a milled edge.

A *security edge* combines grooved and reeded edges the furrow of the groove is decorated with a pattern (dots, lettering or some such) to make it even harder to duplicate. The high cost of applying it and the end of circulating coins made of precious metal have made this kind of edge obsolete.

An *inscribed edge* has text around the rim. On older coins this text was placed on the collar die. Modern versions often use a second stage in the minting process to add the edge inscriptions.

A *decorated edge* has patterns and symbols instead of letters. The circles-and-rectangles pattern on Spanish portrait 8 *reales*, and to the recurring stars seen on many of the 2 euro coins.

An *interrupted reeded edge* has alternating sections of reeded and plain edge. The 1 euro coins are examples of interrupted reeding. The Australian \$2 also can be considered to have interrupted milling, though the spacing is different.

An *indented edge* A plain or milled edge with several indents or notches regularly spaced around it. This type of edge has recently come into fashion; the 20 euro cent known as "Spanish flower".

A *herringbone edge* A series resembling interconnected arrows, or a "fish-bone" pattern. The Spanish pillar dollar of the early 1700's is a classic example of this edge.

A *serrated edge* Refers to ancient Greek and Roman coins with v-shaped notches painstakingly carved into the coin at regular intervals. Believed to echo the cuts Northern tribes put on coins to test their silver.



## How can we use the Archives of the Indies in Sevilla? Just ask!

An investigation work can be carried out by the interested party. For this, we recommend consulting the specialized bibliography (for which our collective Catalog of the State Archives Libraries network may be useful), as well as our collections through the Spanish Archives Portal (<http://pairs.culturaydeporte.gob.es/home.html>).

In this Web portal you will be able to access the descriptive information of the documents and view their images, if they are digitized. Although only detailed information is offered on a part of the documentary collection of this center, this corresponds to the most outstanding documentation and the most consulted funds of all the archives dependent on the Ministry of Culture and Sports, among which are the Historical Archive Nacional, the General Archive of Simancas, the Archive of the Crown of Aragon and the General Archive of the Indies.

To make inquiries, you would have two options, search for "Documents" and "Records of Authority" (terms referring to standardized institutions, people, places, subjects, etc.). We recommend you use the "Advanced Search", where you will have more search options.

M<sup>a</sup> Ángeles Pacheco Fernández Departamento de Referencias Archivo General de Indias



**Naofragio Subscription Details:** This newsletter consists of 20 issues per year, with no less than eight pages per issue. The initial price of a subscription was eight *reales* annually — on credit until your shipwreck pays off, if you wish. We thought that would be different and fun — and we are all looking for those coins. (The silver *reales* coins have been minted in the Hispanic world since the mid-1500s and were made in Mexico until the 1890s. Any type or year would do.) But we dropped that idea when a reader found it confusing. So how about this: We will keep sending you newsletters for a while. After a dozen or so, we may offer you a year's subscription for \$30. Meanwhile, just keep reading — and write us back, too! Satisfaction is guaranteed or you pay nothing.

*Naofragio* means shipwreck in Spanish.

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## Can salvors become Traveling Wilburys?

Do you remember this great momentary band? The five member Traveling Wilburys band was formed in April 1988 just for fun and recorded a two albums. The group consisted of George Harrison, Bob Dylan, Tom Petty, Jeff Lynne and Roy Orbison (who died in December 1988). YouTube this outstanding group to refresh your memory. None of these guys needed the money or more fame, but the albums were successful.

The question is: Are there treasure salvors floating about who can link up there skills and make a million or two as a one-of-a-kind group that only exists to accomplish a certain type or number of shipwreck investigations?

Below: These Brits gave the Spanish fits in the 1500s. That's Sir Francis Drake in the center.



# Tornaviaje —

## Silver ingots that were the raw material for thousands of coins made a long, dangerous trip to Spain

This long trip would have touched several modern nations had they existed at the time: The silver was mined in Bolivia, at the time called Alto Peru, then carried through Peru to the Pacific and loaded at a port that is now 18 km inside Chile. The treasure was off-loaded on the Pacific Ocean side of Panama (part of Columbia before U.S. President Teddy Roosevelt used a big stick to break it away into its own nation.) From Panama the silver bars sailed to Cuba and then on to Europe, stopping at Portugal's Azores islands before reaching Spain.

It took half a year to get a bar of silver from the mountains of Peru to the Segovia mint in Spain. A load of silver ingots traveling by pack animals from Potosí down through the Andes to the port of Arica would have taken about 15 to 20 days. From Arica to the Pacific side of Panama in a galleon would have been about 25 days at sea. A mule train crossing Panama would have taken 10 days. A galleon sailing to Havana from Panama's east coast would need another 15 days. (Not factored in to the time would have been several weeks of waiting in Havana as a fleet was organized. From Havana to the Azores would have been about 45 days. From the Azores to Sevilla perhaps another 20 days. And finally, a mule train from Sevilla to Segovia was a 25- to 40-day journey — 180 days in all.

The basic silver coin was the 8-*reales* piece or "piece of eight", which came to be called a *peso* in Spanish or Spanish dollar in English. Because of its high silver content, pesos were widely accepted in Europe and they were intensely popular in Asia which was short on silver.

Because Spain had no significant industry of its own and needed to buy manufactured items from other European nations, this silver boon was a terrific advantage. The silver and gold Spain mined in the Americas made its way throughout Europe and impacted the global economy. By 1550 Spain had doubled the amount of gold that was in Europe in 1500. And the mining of silver in the Americas was just getting started.

The colonies that Spain founded in the New World became the planet's largest sources of precious metals. Spain required its colonists to trade only with Spanish merchant ships. Since basic necessities such as tools, farm animals, certain foods and weapons brought from Spain, that trading monopoly was extremely profitable.

### Silver ingots from Alto Perú

Silver bars often weighing as much as 33 kilos (72 pounds) were cast near Potosí, Alto Perú (now Bolivia). After the silver was mined and smelted the ingots were carried by pack trains of llamas and mules down the slopes of the Andes — a month-long trip. The destination was the Pacific port town of Arica, today at the northern edge of Chile.

After preparing a summary for the silver ingot display I developed for the Segovia Mint Museum here in my home town of 18 years, I realized there was much more to the story.

The big kids of numismatics find these bars delightful collectables. A friend visited a wealthy collector who had three of them piled up in his garage next to the snow tires. Even for those of us not willing or able to pay \$30,000 or more for one of these bars, as the raw material of historical coinage, they are appealing.

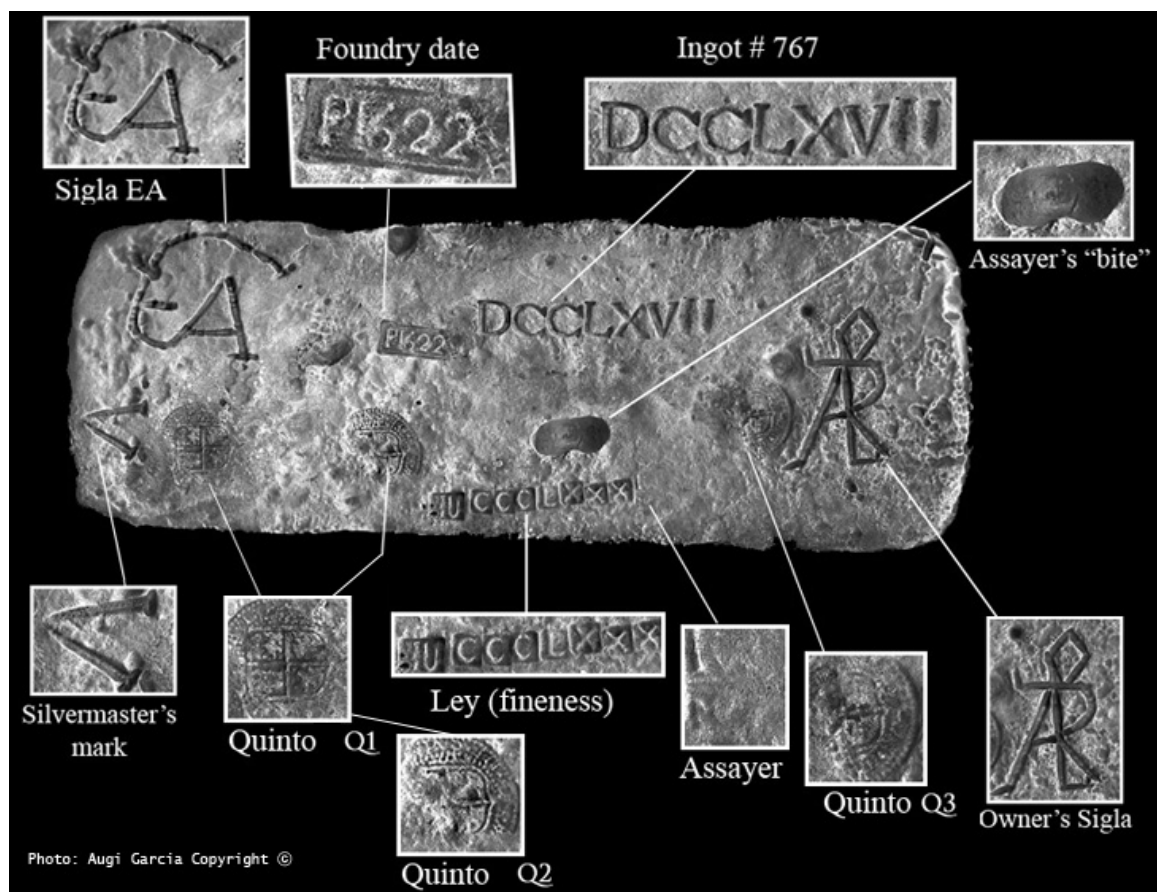




Thanks Daniel Frank Sedwick, LLC

One of the 980 Atocha wreck ingots from 1622

Collectors might not know what these ingots looked like if it had not been for the shipwreck of the Atocha. She went down in a hurricane in the Florida Keys with a load of 1300 of these bars. In 1985, after searching for 15 years, the Fisher group finally found about 1000 of the ingots. Other galleons have gone down with similar loads of treasure. These ingots have been entering the numismatic market over the last 25 years.

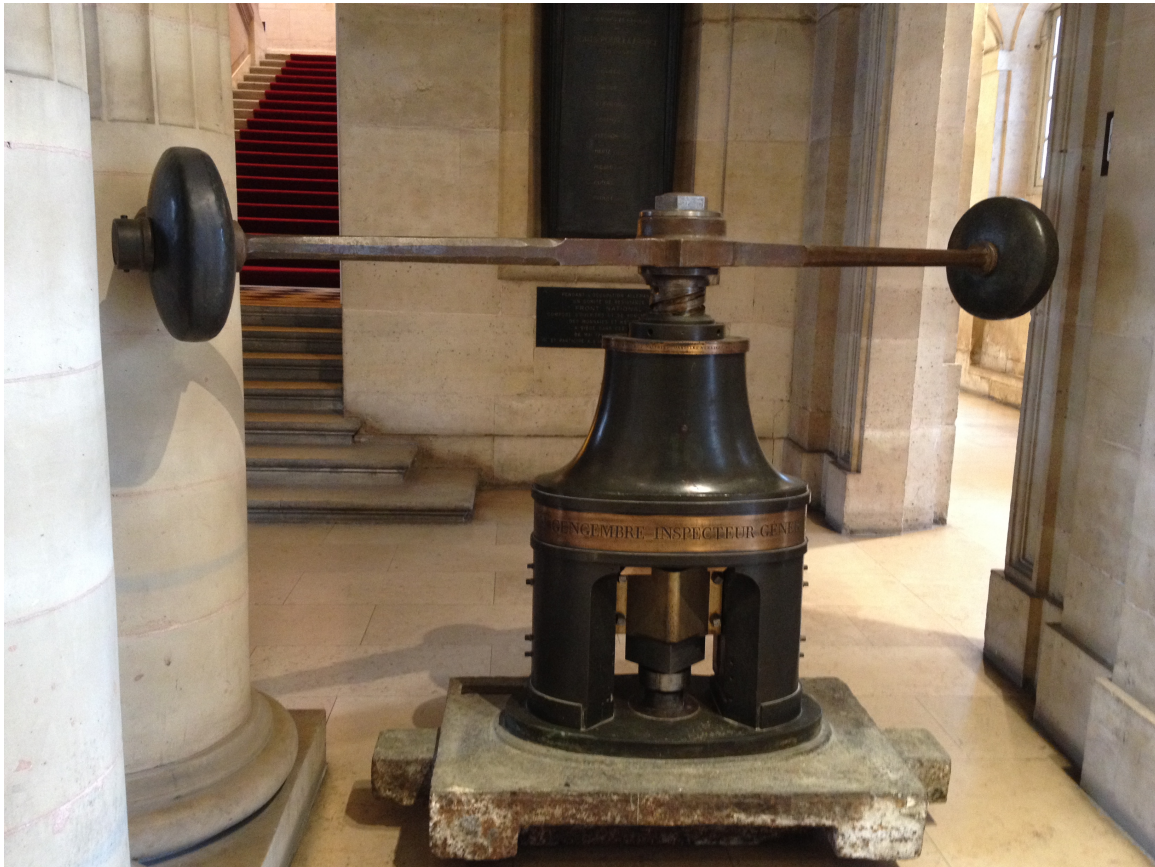


This is great detailing of the Atocha ingots by Augi Garcia of the Sedwick Company

## The Spaniards who ran the mints of the Americas

Before 1732 the mints were considered private enterprises by the Spanish government and its colonial representatives. The lessees were not restricted in their activities except by coinage regulations. For example, the treasurer of the mint did not have to give an accounting of the revenue or its distribution to anyone not connected with the mint. The early colonial mint positions were purchased for life. If a holder died, the heirs received a third of the new sale price. The holder of the office had the privilege of resigning and passing the office on to someone else if he wished.

Below: A classic fly press or screw press of the 1700s — this one at the Paris Mint Museum.



## Spanish Colonial Mint Officials

The first officials of the Mexico City and Lima mints were appointed as favorites of the king of Spain. Under a royal grant, the owner of such a political plum could sell or lease the position to one or more assistants, often while the owner himself remained in Spain to collect his profit — and the profit was often well over half the salary of the job.

In compliance with a royal decree of 1565, the Mexico City mint positions of treasurer, assayer, engraver, smelter and weigher were declared transferable and they were ordered sold to the highest qualified bidder. In 1607 the post of treasurer brought \$150,000 at auction and in 1612 it sold for \$260,000. The combined offices of smelter, assayer and engraver were sold for \$160,000. Occasionally such minor offices as guard and coiner were also auctioned off.

There were no salaries paid to these men in the 1500s and 1600s. The mint profits were divided on a commission basis among the men who bought the offices. Depending on the importance of his position, each man was paid a number of *maravedís* (a fractional part of a *real*) for each *marca* (an accounting unit equal to 250 *reales*) that was made by the mint. The mint officials were taken off the profit-sharing system and paid a set salary in 1732.



The fringe benefits of the mint positions were generous: the officials were given residence in the mint building and were free from many of the taxes and duties that other colonials has to pay. These titles of positions in the mints are mostly those recognized in the colonial period. They are listed alphabetically in Spanish at the left with their English-language equivalent at the right.

Abridor	Die sinker
Acuñar	Coiner
Afinedor	Refinery official or smelter. See Fundidor
Alcalde	A judge or inspector of coins
Alguacil	A foundry worker who mixes mercury with silver ore
Balanzario	Weight official or master of the scales
Balanquedador	Blancher
Cercenador	Clipping smelter
Contrador	Auditor
Contraste	Weight official. See Balanzario
Ensayador	Assayer
Escribano	Scribe
Fiel	Weight official. See Balanzario
Fundidor	Foundry master or smelter
Guardacuño	Die guard or keeper of the dies
Hornacero	Foundry worker. See Fundidor
Jefe de amonedación	Chief coiner
Maestro de la Balanzario	See Balanzario
Hacer moneda	Chief coiner
Marcador	Bullion manager
Merino	Judge of the mint
Monedero	See Acuñador
Superintendente	Superintendent
Tallador	See Abridor

This list constitutes the variety of positions available at a mint.

The size of a mint's staff was usually expanded by other employees such as assistants to the various officials, treasury cashiers, guards, storekeeper, apprentices, coin counters, porters, secretaries, clerks and locksmiths.

## **Sunken treasure: the law is very, very, very, very complicated**

Summarized from a *Linked In* Article by Colin Riegels

**Naufragio introduction:** We all now know that the laws surrounding treasure hunting at sea are complex. This is a summary of a legal article shows us just how complex things can get.

First, let's review the legal systems involved in treasure recovery:

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### **Admiralty Law**

The U.S. federal courts have the authority to handle all Cases of Admiralty and Maritime Jurisdiction.

### **The Law of Finds**

Under the law of finds, the first finder to lawfully take actual possession or control of the shipwreck acquires title to it. A salvor who is the first finder of a shipwreck must: (1) Show intent to acquire the property and take actual possession or control of it; and (2) establish that the property has been abandoned. Thus, the application of the law of finds requires a determination that the shipwreck has been abandoned by the previous owner.

### **The Law of Salvage**

Under this law, the salvor of imperiled property on navigable waters gains a right of compensation but not outright title, which is retained by the original owner. The elements of a claim are: (1) there must be a marine peril; (2) the salvage service must be voluntarily

rendered when not required by an existing duty or by special contract; and (3) the salvage efforts must be at least partly successful. There are two proceedings: a grant of exclusive salvor-in-possession status for who first discovers the vessel and the grant of an award once property is actually possessed. (This law seems to rarely apply to treasure salvage.)

### **The 1902 Treaty of Friendship & General Relations Between the United States & Spain**

If the wreck you have found is a ship formerly commissioned by Spain, and your company is based in the USA you may lose everything based on this law. Odyssey Company could not prove that Spain had abandoned its naval vessel, and recently lost millions from the *Mercedes*.

### **The article by Colin Riegels:**

"Most lawyers when asked about a broad legal issue like to respond with a bland "*it's complicated*". Happily, this is not true of the law as it relates to sunken treasure. In that case, the law is very, very, very, very complicated indeed. It represents a convoluted mishmash of laws relating to property, abandonment, salvage, limitation periods, and a few others besides. But I will try to give a short summarized version here.

"The legal starting point when finding sunken treasure is to establish who owns (or owned) the treasure originally. That can be hard for several reasons. Firstly, there just may not be any data points to work from (particularly if you cannot identify the shipwreck). Secondly, if the treasure being transported was claimed as a [prize of war](#) (and the boundaries between piracy and privateering were often fuzzy), there may be doubts and disputes as to who the true owner is.

"In 1969 the Spanish declined to claim the wreck of the *Santa Maria de la Rose* because it was sunk in wartime and was therefore technically a prize of the enemy. Where the true owner of sunken property was an individual, they may now be dead, although they may have descendants - when the [Hollandia](#) (1743) was salvaged, a descendant of one of the passengers successfully claimed various personal effects on the basis that they bore the family crest. Similarly, a company may no longer exist, but it may have successors - the Dutch government is the successor in title (by law) to all the property of the old [Dutch East India Company](#). Where the owner is (for example) the British Crown or the Spanish Crown, then the original owner is still very much in existence as a legal entity.

"The next step is to establish if that person still owns the treasure. Many jurisdictions apply the law of abandonment, ie. if the owner doesn't try to recover his property from the bottom of the sea then he is taken to have abandoned it. However, most common law jurisdictions do not apply abandonment unless the owner takes active steps to demonstrate an intention to abandon title. In [The Tubantia](#) [1924] the English courts affirmed that a mere failure to salvage or attempt to salvage property for many years did not of itself constitute abandonment. A similar conclusion was reached by the courts of Singapore in *Simon v Taylor* [1975]. But the Australian High Court was prepared to infer abandonment by effluxion of time in *Robinson v Western Australian Museum* (1977). Accordingly, the general rule is that in the absence of evidence to the contrary, title will normally continue to vest in the original owner or his descendants.

"However, not all countries apply the same rules. In the US case of [Treasure Salvors Inc v Unidentified Wreck](#) [1978] claims were litigated over approximately US \$250 million worth of bullion on a Spanish ship which sank in 1622. The salvors claimed absolute owners as "finders" of unowned property rather than a share which was assessable as salvors. The US Federal Government claimed to own the wreck and all of its cargo on the basis of its own territorial laws (which it asserted as successor to the English Royal prerogative over ships).

"Curiously the Spanish government made no claim, but the court sided with Treasure Salvors and held they owned the gold absolutely as finders of unowned property. It rejected as "*fiction to absurd lengths*" that a party could claim to still own property which had been resting underwater for 350 years. The approach of the American courts, as outlined in [Columbus America v Unidentified Wreck](#) [1990] has been to "*afford protection to*



persons who actually endeavor to return lost or abandoned goods as an incentive to undertake such expensive and risky ventures." Whatever else might be said for or against the American approach, it certainly provides a simple solution to an otherwise very complex problem.

"A secondary issue arises if an insurance claim has been paid out on the treasure. Under the law of subrogation, if an insurer pays out on a lost cargo, then the insurer takes over title to insured goods. In relation to many historical claims, maritime cargo was insured through Lloyds of London, which as an entity is alive and well, and very much able to enforce historical rights of subrogation to recovered property. Lloyds of London famously paid out over 1 million pounds for lost gold when the *Lutine* was wrecked in 1799, when part of that gold was finally salvaged, Lloyds' claim to the gold was upheld.

"The third issue is that of salvors' rights. Generally speaking, when a person salvages property at sea, they are entitled to enforce a claim for the cost of the salvage against the salvaged property. In disputed cases, the court may assess the value of the salvage, taking into account factors such as difficulty and risk. It is possible to award up to (but never exceeding) 100% of the value of the property. In the case of the *Lutine*, the Dutch salvor agreed a 50% share with Lloyds.

"However, if the salvor decides to claim the property in its entirety, either because they cannot find the original owner, or in defiance of them, then the issue of limitation can arise. Acquiring title by limitation is complex, but that complexity is increased when the original owner is a foreign state. In such cases, limitation periods may not apply (under English law the maxim "*time does not run against the King*" is applied).

"To compound all of these issues are conflicts of laws jurisdictional issues. Most countries accept that the proper law to determine the ownership of property (including treasure) is the law of the place where the property is located, ie. the state in whose waters the treasure is located. But this is not a universal rule. Some jurisdictions apply the flag of the vessel instead, particularly if the shipwreck is located in international waters. And some courts (most noticeably the US Federal courts) will always apply the law of the forum regardless.

"There is relatively little international consensus on what happens in such situations. Finally, a number of countries apply special rules to the property of states. Or to property which is of a historical or cultural significance. In such cases mandatory statutory provisions may override rules which would otherwise apply.

"In the English case of *Cammell v Sewell* (1858) 3 H&N 17 you can get a flavour of the issues. Sadly that case revolved around salvaged timber rather than lost gold, but the insurer paid out on the claim and then sold the residual right to property a third party, whilst separately the timber was successfully salvaged and the salvor sold the salvaged timber to yet another another party. Both purchasers ended up fighting in court, and the courts applied the law of Norway (as the place of the wreck) to hold that the salvor's rights prevailed over that of the insurer, and thus so did their respective purchasers. Had Russian law applied (as the flag of the vessel), the state's claim would have prevailed. Had English law applied (as the law of the forum) then the insurer's purchaser would have prevailed.

"Years ago I met the treasure hunter, [John Mattera](#), who told me if he ever found gold the first thing he would do is try to hide it before all the lawsuits started to fly. Some time later he found the wreck of the *Golden Fleece*, which brought him fame, but not much gold (unless he was true to his word and he *did* hide it!). ..."

Here is Mexico City's first cob from the 1530s. It sold for \$500,000 a few years ago.

